

**COMMONWEALTH OF KENTUCKY  
DEPARTMENT OF INSURANCE**

**AGENT LICENSING DIVISION**

*Treva W. Donnell, Director*

**LIFE SETTLEMENT PROVIDER**

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**This document is for general information purposes only. It does not amend or precede provisions of the Kentucky Revised Statutes or Administrative Regulations. For more complete information, refer to the Kentucky Insurance Code.**

Life Settlement is the policy owner's sale of the life insurance benefits to an investor for less than the policy's expected death benefit and before the insured's death. Some terminally ill or older insureds are willing to sell their policies to pay for medical care or other needs; and some other policy owners are willing to sell their policies because the individual, the family, or the business associates no longer need the financial security the policy offers. In addition, certain investors are willing to buy these life insurance policies and pay the future premiums with the expectation of getting a good return on a relatively short-term investment.

- This business of investors buying life insurance policies from policyholders is available in the market under names such as senior settlements, life settlements, and secondary markets for life insurance. But regardless of what names are used, these transactions are regulated in Kentucky as life settlements. Further, the persons assisting the policy owners with the life transactions (brokers) and the persons purchasing the life insurance policies (providers) are required to be licensed by the Office of Insurance.

**"Life Settlement Broker"** means an individual or business entity that for a fee offers or advertises the availability of life settlements, introduces the viator to life settlement providers, or negotiates life settlements between a viator and life settlement providers. (The licensing of life settlement brokers is addressed in a separate information summary.)

**Exceptions** – Life settlement broker does not include the following who is retained to represent the viator and whose compensation is not paid by the life settlement provider:

- Attorney
- Certified public accountant
- Financial planner

**"Life settlement provider"** means an individual, partnership, corporation, or other person who or that enters into an agreement with a person owning a policy under the terms of which the life settlement provider pays compensation or anything of value, which compensation or value is less than the expected death benefit of the insurance policy or certificate, in return for the policy owner's assignment, transfer, sale, devise, or bequest of the death benefit or ownership of the policy to the life settlement provider.

**Exceptions** – Life settlement provider does not include:

- Any bank, savings bank, savings and loan association, credit union, or other licensed lending institution that takes an assignment of a policy as collateral for a loan;
- The issuer of a policy that provides accelerated benefits that accelerate in anticipation of death or upon the occurrence of specified life-threatening or catastrophic conditions as defined by the policy or rider;
- Any natural person who is not licensed in accordance with KRS 304.15-700 and who enters into no more than one (1) agreement in a calendar year for the transfer of life insurance policies for any value less than the expected death benefit;
- A related provider trust;
- An authorized or eligible insurer that provides stop-loss coverage to a life settlement provider, financing entity, special purpose entity, or related provider trust;
- A special purpose entity;

- A related provider trust;
- An accredited investor or qualified institutional buyer as defined respectively in Regulation D, Rule 501 or Rule 144A of the Federal Securities Act of 1933, as amended, and who acquires a viaticated policy from a life settlement provider.

**“Viator”** means a resident of the Commonwealth who is the owner of a policy or a certificate holder under a group policy who enters or seeks to enter into a life settlement contract. A viator shall not be limited to an owner of a life insurance policy or a certificate holder under a group policy insuring the life of an individual with a terminal or chronic illness or condition except where specifically addressed. If there is more than one (1) viator on a single policy and the viators are residents of different states, the transaction shall be governed by the law of the state in which the viator having the largest percentage of ownership resides or, if the viators hold equal ownership, the state of residence of one (1) viator agreed upon in writing by all viators. "Viator" does not include the following **exceptions**:

- (a) A licensed life settlement provider;
- (b) An accredited investor or qualified institutional buyer as defined respectively in Regulation D, Rule 501 or Rule 144A of the Federal Securities Act of 1933 as amended;
- (c) A financing entity;
- (d) A special purpose entity;
- (e) A related provider trust.

**“Viaticated policy”** means a policy that has been acquired by a life settlement provider pursuant to a Life settlement contract

**Statutory Responsibilities and Duties of Life Settlement Broker and Life Settlement Provider** – Specific requirements and restrictions for life settlement brokers and life settlement providers are set out in KRS 304.15-020, 304.15-700 through 304.15-725, 806 KAR 9:310, 806 KAR 9:320, and 806 KAR 15:050. The licensee should refer to these parts of the Kentucky Insurance Code for details relating to standards for life settlement contracts and other forms, required reports, advertising, general rules, and prohibited practices with respect to life settlement transactions. Licensed life settlement brokers and life settlement providers will be held to compliance with these statutes and administrative regulations as well as to all other applicable provisions in the Insurance Code.

**Note:** Information about the filing of life settlement forms and contracts required by KRS 304.15-700 to get a license and conduct life settlement transactions is available from the Health and Life Division through the Department’s Web site at <http://insurance.ky.gov>

## WARNINGS

**Address Change or Name Change** –Every licensee must notify the Department, in writing, of any change in residence address, business address, or legal name within 30 days of the change. Agents, individual or business entity, surplus lines brokers, rental vehicle agents and managing employees, managing employees, reinsurance intermediary brokers, and reinsurance intermediary managers are subject to a penalty up to \$1,000 for failure to do so. Adjusters, administrators, life settlement brokers, life settlement providers, and consultants are subject to a penalty up to \$2,000.

- **Address changes** should be submitted on Record Correction **Form 8303**. (Moving from

Kentucky to another state may require surrendering the resident license and applying for non-resident license. Also moving to Kentucky from another state may require surrendering the non-resident license and applying for a resident license.)

- **Name changes** should be submitted on Record Correction **Form 8303** with pertinent legal documentation approving the name change, including any amendments filed with the Kentucky Secretary of State.

**Form 8303** should include the licensee's name and identification number (the licensee's Social Security number, Federal Employer Identification Number, or Department of Insurance identification number); and it should be submitted to the Department online by clicking on eServices at <http://insurance.ky.gov> to set up a password protected account or by mail to:

Department of Insurance  
Agent Licensing Division  
Post Office Box 517  
Frankfort, KY 40602-0517

**Corrected License Certificate** – Because the insurance law requires that the license certificate contain the licensee's name, city and state of principal place of business address, and other pertinent information, every licensee that changes this information must request a corrected license certificate from the Department. To get a corrected license certificate with the name, city, or state change, the licensee may request online or submit a request on **Form 8306** along with the out-of-date original license certificate. A license certificate with the new name, new city, or new state will be provided without charge and will be mailed to the residence address of the licensed individual or to the business address of the licensed business entity.

**Change of Home State** – A non-resident licensee who changes his or her home state to a state other than Kentucky must file a change of address **Form 8303** and provide a certification letter from the new home state within 30 days of the change. No fee or license application is required.

**Loss of Home State License** – A Kentucky non-resident license based on reciprocity will automatically terminate and must be surrendered to the Department of Insurance if the home state license terminates for any reason.

**Change of Officers and Directors** – The resident business entity agent must notify the Department of all changes among its members, directors, officers, or designated agents listed in its license application within 30 days of the change.

## MISCELLANEOUS INFORMATION

**Notice of Commissioner's Order** – Every licensee is deemed to have received any notice or order of the commissioner mailed to the licensee's address on file with the Department of Insurance.

**Licensee's Office Open to Public** – If Kentucky is the home state, the licensee is required to have and maintain an office in Kentucky that is accessible to the public and that is the place where the licensee principally conducts transactions under the license. This requirement does not prohibit the licensee from maintaining this office in the office of an insurer, in the office of the employer, or in the home of the licensee. (Kentucky is the home state if the licensee has a Kentucky resident license or has a Kentucky principal place of business and does not hold a resident license in another state.)

**Display of License and Retention of Records** –The license of all licensees must be conspicuously displayed in each Kentucky place of business in a location customarily open to the public. In addition, complete records of transactions under the license must be kept at the place of business for at least 5 years after completion of the purpose for which it was created. [KRS 304.9-390 and 806 KAR 2:070]

**Service of Process** – All non-resident licensees are deemed to have irrevocably appointed the Kentucky Secretary of State to receive service of process in any court action against the licensee arising out of transactions under the Kentucky license.

**Designations** – A licensed business entity can only exercise its license through a designated individual. Each designated individual has to hold the same kind of license as the business entity. Further, the designated individual may only exercise the business entity license for the lines of authority held in common by both the business entity and the individual. Designated individuals for resident business entity must hold active license and at least one active insurer appointment. A non-resident business entity may designate its first actively licensed designee without him or her being appointed with an insurer; however, any subsequent designees must be appointed with an insurer.

Each licensed business entity must file with the Department

- **Form 8305 – notice of the designation** of an individual within 30 days of the designation or termination of the designation;
- **Annual report** by January 31, each odd year, of all designated individuals whose designations are not terminated prior to January 1. (The Department will provide the format to be used for this report.)

**Certification / Clearance Letter from Kentucky Department of Insurance** – If an applicant for a license in another state holds or has held a Kentucky resident license, the other state may require a letter from the Kentucky Department of Insurance. A certification letter states that the license is active and in good standing in Kentucky (needed to license a Kentucky resident licensee as a non-resident licensee in another state). A clearance letter states that the former licensee was in good standing at the time the Kentucky license terminated (needed to license a former Kentucky resident licensee as a resident licensee in another state). Kentucky has combined these two letters:

- If the license is active, the letter will serve as a certification letter for the current license activity; and
- If the license is no longer active, the letter will indicate the last date of license and the date it became inactive, thus serving as a clearance letter.

Each letter must be requested online at <http://insurance.ky.gov>. Click eServices to set up a

password-protected account and complete the Certification/Clearance Letter Request Form. Complete the licensee's full name, identification number (the licensee's Social Security number, Federal Employer Identification Number, or Department of Insurance identification number), and type of letter needed. Also, the licensee must indicate where the processed paperwork should be mailed by providing the correct address on the request. Fees may be paid by credit or debit card online, or make check payable to the "Kentucky State Treasurer" in an amount of \$5 for each letter requested. The fee must be included with the request.

**Certification / Clearance Letters to Kentucky Department of Insurance** – Kentucky no longer requires a letter (only verification through the NAIC Producer Database) from the other state if the applicant for a Kentucky license holds or has held a resident license in the other state.

**Request for Kentucky Non-resident License –**

- Kentucky will verify electronically through NAIC Producer Database, that the non-resident applicant is licensed and in good standing in the resident state.
- A non-resident individual or business entity, which has a Kentucky non-resident license and changes its home state, must file Record Correction **Form 8303**.

**Request for Kentucky Resident License –**

- Kentucky will verify electronically through NAIC Producer Database, that the non-resident applicant is no longer licensed in the other state.

**Purchase of Kentucky Insurance Code** – Because there is so much involved in the licensing and the legal requirements imposed on a licensee, the Department of Insurance suggests that every licensee get a copy of *Kentucky Insurance Laws and Regulations*. This Kentucky insurance code can be purchased for \$53.00 through the Department of Insurance. It will provide a better understanding of Kentucky insurance laws and procedures. In the alternative, the licensee may access Kentucky's insurance laws and administrative regulations through the Legislative Research Commission Web site at [www.lrc.ky.gov](http://www.lrc.ky.gov) under "Legislative Resources."

**Forms and Additional Information** – Kentucky-specific applications and most other forms for all licensees are available through the Department's Web site at <http://insurance.ky.gov> under the "Agent Licensing" section of the menu titled "Licensee Procedures, Forms and Information." Also visit this Web site for additional information on all types of licenses, as well as verification of license status, continuing education credit, appointment, designations with business entities, etc. The Licensing Division is also available to provide information and answer questions through its e-mail address at [DOI.AgentLicensingMail@ky.gov](mailto:DOI.AgentLicensingMail@ky.gov) or by telephone at 502-564-6004.

The NAIC uniform applications, for electronic filing or paper, may be obtained through NIPR Web site address at [www.nipr.com](http://www.nipr.com).

## **INDIVIDUAL RESIDENT OR NON-RESIDENT LIFE SETTLEMENT PROVIDER**

The Kentucky Insurance Code provides for a life settlement provider license without distinguishing between a resident and a non-resident applicant.

**QUALIFICATIONS** – The applicant must

- Be at least 21 years of age

- Be competent to exercise the license
- Be financially responsible to exercise the license; and
- Pay all applicable fees.

**APPLICATION** – The applicant is required to certify, under penalty of perjury, that the application for the license is true. Further, the Department must receive the following to process the individual's application:

- ☐ Viatical Settlement Broker/Provider Individual License Application – **Form 8301** (completed in its entirety and attaching the appropriate information)
- ☐ Criminal background report from Administrative Office of the Courts(AOC) (apply online at <http://courts.ky.gov>)
- ☐ Proof of financial responsibility filed by the insurer or financial institution directly with the Office in any one or more of the prescribed forms:
  - Errors & Omissions policy – **Form 99-1**
  - Letter of credit – **Form 99-2**
  - Surety bond – **Form 99-3**
- ☐ If using assumed name, copies of Certificate of Assumed Name filed with Kentucky Secretary of State and each Kentucky County Clerk where the applicant intends to transact business
- ☐ Department Health and all applicable non-refundable fees

**FEES** – The applicant must remit the \$500 nonrefundable fee for a Life settlement provider license.

**CRIMINAL BACKGROUND CHECK** – Statutory changes in 2005 require the Department to assume responsibility for investigating whether each individual applying for a license is trustworthy, reliable, and of good reputation before issuing the license. As part of that investigation, the individual must submit a current criminal background report with his or her completed license application. Each individual applicant must get the criminal background report from the Administrative Office of the Courts (AOC) applying online at <http://courts.ky.gov> and pay a \$15 processing fee.

A copy of the report must be attached to the application for license. Note that the background report from AOC is valid only for 60 days. At the end of 60 days from the report issue date, a new report will be required if the license has not been issued. If you apply for a new license or new line of authority, a new background check report is required.

**PRELICENSING TRAINING** –. N/A

**EXAMINATION** –. N/A

**FINANCIAL RESPONSIBILITY** – In order to be licensed to transact Life settlements, the applicant will be required to have on file with the Department, and maintain while the license is in effect, proof of financial responsibility in the sum of not less than \$20,000 per occurrence and \$100,000 in the aggregate for all occurrences within one year. Proof of financial responsibility must be filed by the insurer or the financial institution directly with the Department on one or more of the following:

- Errors & Omissions policy issued by an authorized insurer on **Form 99-1**
- Letter of credit from a bank or other qualified financial institution on **Form 99-2**
- Surety bond issued by an authorized insurer on **Form 99-3**

**Loss of Financial Responsibility** – If at any time the proof of financial responsibility lapses for any reason and is not replaced by the deadline, the license will terminate by act of law. Details about the timely replacement of financial responsibility, which is being cancelled, are set out in 806 KAR 9:210.

**APPOINTMENT** – N/A

**ADDITIONAL LINES OF AUTHORITY** – N/A

**LICENSE RENEWAL** – The license continues in force until expired, suspended, revoked, or otherwise terminated if the licensee makes a written request for continuation, confirms any applicable financial responsibility and certain other information in the Department's records, and pays the renewal fee as follows:

- \$500

License is renewed online.

- **Renewal notification is mailed** to the current address of record filed with the Department at least 30 days before the renewal deadline, and posted to the Web site six months prior to the renewal.
- **Confirmation** of renewal information is available on our Web site at <http://insurance.ky.gov> at **eServices**.
- **Renewal period** is based solely on the licensee's birth date.
- **Renewal deadline** is no later than the last day of the birth month in even numbered years if born in an even year, or odd numbered years if born in an odd year.

**Each licensee must:**

- **Renew online through eServices at <http://insurance.ky.gov> or [www.nipr.com](http://www.nipr.com).**

The licensee may check the Department's Web site to confirm that the license has renewed.

**Failure to Renew License by Deadline** – If the Department does not receive the license renewal invoice and any required fees by the deadline, the license will be automatically terminate as of the deadline. The licensee will be prohibited from transacting insurance business until the license is reissued.

However, if the licensee submits the renewal invoice, the late renewal penalty payment, and any required renewal fees within 60 days after the deadline, the license may be reissued without the need for a new license application or other documentation. Upon expiration of the 60 days, the



license will be inactive. Note that there will be a gap in the license (and any appointments) from the inactive date until the date the Department receives and approves a reinstatement application with required attachments.

**CONTINUING EDUCATION – N/A**

## **BUSINESS ENTITY RESIDENT OR NON-RESIDENT LIFE SETTLEMENT PROVIDER**

The Kentucky Insurance Code provides for a life settlement provider license without distinguishing between a resident and a non-resident applicant.

**QUALIFICATIONS** – The applicant must

- Have only individuals acting under the business entity's license who are
  - Designated in the business entity application to act under its license, only licensed individual Life settlement providers, pursuant to KRS 304.9-133;
- Be financially responsible to exercise the license; and
- Pay all applicable fees.

**APPLICATION** – The applicant is required to certify, under penalty of perjury, that the application for the license is true. Further, the Department must receive the following to process the business entity's application:

- ☐ Life Settlement Broker/Provider Business Entity License Application – **Form 8301-BE** (completed in its entirety and attaching the appropriate information)
- ☐ List of all licensed individuals to act under business entity license
- ☐ List of all officers, directors, or general partners, as applicable, including names, titles, addresses, Social Security numbers, and Kentucky Department of Insurance identification numbers
- ☐ For each individual to act under business entity license
  - Life Settlement Broker/Provider License Application – **Form 8301** OR
  - Identification number for Kentucky life settlement provider license
- ☐ Proof of financial responsibility filed by the insurer or financial institution directly with the Office in any one or more of the prescribed forms:
  - Errors & Omissions policy – **Form 99-1**
  - Letter of credit – **Form 99-2**
  - Surety bond – **Form 99-3**
- ☐ Document demonstrating authority to do business in Kentucky, as applicable
  - General Partnership
    - For resident and non-resident: Partnership Agreement
  - Limited Partnership
    - For resident: Certificate of Formation from Kentucky Secretary of State
    - For non-resident: Certificate of Registration from Kentucky Secretary of State
  - Corporation and Limited Liability Company
    - For resident: Certificate of Existence from Kentucky Secretary of State

- ☐ If using assumed name, copies of Certificate of Assumed Name filed with Kentucky Secretary of State and each Kentucky County Clerk where the applicant intends to transact business
- ☐ Contract form or disclosure statement form may not be used until filing and approval of forms
- ☐ requirements of KRS 304.15-700(2) have been met, by filing with the Life Division of the Office of Insurance
- ☐ All applicable non-refundable fees

**FEES** – The applicant must remit the \$1,500 nonrefundable fee for a life settlement provider license.

**PRELICENSING TRAINING** – N/A

**EXAMINATION** – N/A

**FINANCIAL RESPONSIBILITY** – In order to be licensed to transact life settlements, the applicant will be required to have on file with the Department, and maintain while the license is in effect, proof of financial responsibility in the sum of not less than \$500,000 per occurrence and \$1,500,000 in the aggregate for all occurrences within one year. Proof of financial responsibility must be filed by the insurer or the financial institution directly with the Department on one or more of the following:

- Errors & Omissions policy issued by an authorized insurer on **Form 99-1**
- Letter of credit from a bank or other qualified financial institution on **Form 99-2**
- Surety bond issued by an authorized insurer on **Form 99-3**

**Loss of Financial Responsibility** – If at any time the proof of financial responsibility lapses for any reason and is not replaced by the deadline, the license will terminate by act of law. Details about the timely replacement of financial responsibility, which is being cancelled, are set out in 806 KAR 9:210.

**APPOINTMENT** – N/A

**ADDITIONAL LINES OF AUTHORITY** – N/A

**LICENSE RENEWAL** – The license continues in force until expired, suspended, revoked, or otherwise terminated if the licensee makes a written request for continuation, confirms any applicable financial responsibility and certain other information in the Department's records, and pays the renewal fee as follows:

- \$1,500

The renewal invoice and the payment of the license renewal fee stated on the renewal invoice are due from the business entity licensee **by March 31 in**

- Odd-numbered years for a business entity licensed in an odd-numbered year, and
- Even-numbered years for a business entity licensed in an even-numbered year.

(At least 30 days before the renewal deadline, the Department will send the licensee the renewal invoice containing all of the information that must be confirmed as well as the amount of the renewal fee due.)

License is renewed online.

- **Renewal notification is mailed** to the current address of record filed with the Department at least 30 days before the renewal deadline, and posted to the Web site six months prior to the renewal.
- **Confirmation** of renewal information is available on our Web site at <http://insurance.ky.gov> at **eServices**.
- **Renewal period** is based solely on the licensee's birth date.
- **Renewal deadline** is no later than the last day of the birth month in even numbered years if born in an even year, or odd numbered years if born in an odd year.

**Each licensee must:**

- **Renew online through eServices at** <http://insurance.ky.gov> or [www.nipr.com](http://www.nipr.com).

The licensee may check the Department's Web site to confirm that the license has renewed.

**Failure to Renew License by Deadline** – If the Department does not receive the license renewal invoice and any required fees by the deadline, the license will be automatically terminate as of the deadline. The licensee will be prohibited from transacting insurance business until the license is reissued.

However, if the licensee submits the renewal invoice, the late renewal penalty payment, and any required renewal fees within 60 days after the deadline, the license may be reissued without the need for a new license application or other documentation. Upon expiration of the 60 days, the license will be inactive. Note that there will be a gap in the license (and any appointments) from the inactive date until the date the Department receives and approves a reinstatement application with required attachments.

**CONTINUING EDUCATION** – N/A

**AGENT LICENSING DIVISION  
GUIDELINES FOR PROCESSING LICENSING APPLICATIONS WITH  
NEGATIVE BACKGROUND INFORMATION  
APPROVAL / DENIAL/PROBATION**

**Initial Application**

1. Have you ever been convicted of a crime, had a judgment withheld or deferred, or are you currently charged with committing a crime?

Yes\_\_\_\_\_ No\_\_\_\_\_

“Crime” includes a misdemeanor, felony or a military offense. You may exclude misdemeanor traffic citations or convictions involving driving under the influence (DUI) or driving while intoxicated (DWI), driving without a license, reckless driving, or driving with a suspended or revoked license and juvenile offenses. “Convicted” includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere, or having been given probation, a suspended sentence or a fine.

If you answer yes, you must attach to this application:

- a) a written statement explaining the circumstances of each incident,
- b) a copy of the charging document, and
- c) a copy of the official document which demonstrates the resolution of the charges or any final judgment.

If you have a felony conviction, have you applied for a waiver as required by 18 USC 1033?

N/A\_\_ Yes \_\_ No\_\_

If so, was that waiver granted? (Attach copy of 1033 waiver approved by home state.)

N/A\_\_ Yes\_\_ No\_\_

**Renewal Application**

1. Since the last home state renewal, have you been convicted of, or are you currently charged with, committing a crime, whether or not adjudication was withheld? Yes\_\_ No\_\_

Agent Licensing checks to make sure all three of the above-mentioned requests are attached to the application. When all documentation is complete, the application goes to “review.” Details on what exactly is needed are as follows:

- a written statement explaining the circumstances of each incident (Must be VERY detailed – complete explanation – not just three or four sentences.)
- a copy of the charging document (police citation, indictment, warrant, or other court document you received when charges were made).
- a copy of the official document which demonstrates the resolution of the charges or any final judgment (court document showing final judgment of conviction, diversion agreement, or final court order signed by judge).
- If these documents are no longer available from the court office, then a letter must be submitted from that court office stating they have been destroyed, OR a computer printout from the court office that is “certified” by a court employee may be submitted in lieu of the original documents.

### **Initial Application**

2. Have you or any business in which you are or were an owner, partner, officer or director, or member or manager of limited liability company ever been involved in an administrative proceeding regarding any professional or occupational license, or registration?

Yes\_\_\_\_\_ No\_\_\_\_\_

### **Renewal Application**

2. Since the last home state renewal, have you or any business in which you are or were an owner, partner, officer, or director ever been involved in an administrative proceeding regarding any professional or occupational license?

“Involved” means having a license censured, suspended, revoked, canceled, terminated; or being assessed a fine, a cease and desist order, a prohibition order, a compliance order, placed on probation or surrendering a license to resolve an administrative action. “Involved” also means being named as a party to an administrative or arbitration proceeding which is related to a professional or occupational license. “Involved” also means having a license application denied or the act of withdrawing an application to avoid a denial. You may EXCLUDE terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee.

*If you answer yes, you must attach to this application:*

- a) a written statement identifying the type of license and explaining the circumstances of each incident,
- b) a copy of the Notice of Hearing or other document that states the charges and allegations, and
- c) a copy of the official document which demonstrates the resolution of the charges or any final judgment. (consent decree, agreed order, stipulation agreement, or letter from state issuing penalty)

Agent Licensing checks to make sure all three of the above-mentioned requests are attached to the application. If not, Agent Licensing writes back to the applicant to obtain these records. After receiving all attachments, the application goes to “review.”

### **Initial Application**

3. Has any demand been made or judgment rendered against you or any business in which you are or were an owner, partner, officer, or director, or member or manager of a limited liability company, for overdue monies by an insurer, insured or producer, or have you ever been subject to a bankruptcy proceeding? Do not include personal bankruptcies, unless they involve funds held on behalf of others. Yes\_\_\_\_\_ No\_\_\_\_\_

If you answer yes, submit a statement summarizing the details of the indebtedness and arrangements for repayment, and/or type, date, and location of bankruptcy.

Agent Licensing reviews all documentation on demand, judgment, or bankruptcy. The applicant is contacted if additional documentation is required for determination. If there is a bankruptcy other than personal, Agent Licensing requests that the “Discharge of Debtor” is attached to application with a brief explanation of reason for bankruptcy. Also, if the bankruptcy happened within the last 2 years, a list of creditors must be supplied. Agent Licensing accepts faxed copies.

- **NOTE relative bankruptcies:**

- Do not include personal debt such as credit cards, mortgages, hospital bills, automobile debts.
- This answer requires that you reveal business bankruptcies.

**4. Have you been notified by any jurisdiction to which you are applying of any delinquent tax obligation that is not the subject of a repayment agreement? Yes\_\_\_\_\_ No\_\_\_\_\_**  
**If you answer yes, identify the jurisdiction(s):\_\_\_\_\_**

According to KRS 304.9-440 (1)(o) and other applicable state law, the Department denies any applicant who has delinquent tax obligation that is not the subject of a repayment agreement in Kentucky. However, we will keep the application in a pending status for an extended period of time to allow applicant to contact Kentucky Revenue Cabinet and set up a repayment agreement. It may be necessary to issue an agreed order of probation for the same period of time it takes to repay the obligation to the State. Once the agreed order is signed by the applicant and the commissioner, the application will be processed.

**Initial Application**

**5. Are you currently a party to, or have you ever been found liable in, any lawsuit, arbitration, or mediation proceeding involving allegations of fraud, misappropriation or conversion of funds, misrepresentation or breach of fiduciary duty? Yes\_\_\_\_\_ No\_\_\_\_\_**

**If you answer yes, you must attach to this application:**

- a) a written statement summarizing the details of each incident, (*Written statement giving full details of each incident involving allegations of fraud, misappropriation or conversion of funds, misrepresentation or breach of fiduciary duty.*)
- b) a copy of the petition, complaint or other document that commenced the lawsuit or arbitration, or mediation and
- c) a copy of the official document which demonstrates the resolution of the charges or any final judgment.

**Agent Licensing checks to make sure all three of the above-mentioned requests are attached to the application. If not, Agent Licensing writes back to the applicant to obtain these records. After all documentation is received, application goes to “review.”**

**Initial Application**

**6. Have you or any business in which you are or were an owner, partner, officer or director, or member or manager of a limited liability company, ever had an insurance agency contract or any other business relationship with an insurance company terminated for any alleged misconduct? Yes\_\_\_\_\_ No\_\_\_\_\_**

**If you answer yes, you must attach to this application:**

- a) a written statement summarizing the details of each incident and explaining why you feel this incident should not prevent you from receiving an insurance license, and
- b) copies of all relevant documents.

**Agent Licensing checks to make sure all of the above-mentioned requests are attached to the application. If not, Agent Licensing writes back to the applicant to obtain these records. After all documentation is received, application goes to “review.”**

## **Initial Application**

**7. Do you have a child support obligation in arrearage? Yes\_\_\_\_\_ No\_\_\_\_\_**

**If you answer yes,**

**a) by how many months are you in arrearage?**

**b) are you currently subject to and in compliance with any repayment agreement?**

**c) Are you the subject of a child support related subpoena warrant?**

**(If you answered yes, provide documentation showing proof of current payments or an approved repayment plan from the appropriate state child support agency.)**

Agent Licensing requires applicant to submit official documentation showing that child support payments are being made. This may be a computer printout from court-ordered overseer of the account, or a copy of pay stubs showing automatic withdrawal of child support payments.

## **NOTES:**

- Our primary goal is to process application without infractions and applications with legal background infractions that are not serious within one to two business days. The Division's business history indicates that most documents can be successfully processed within that timeframe.
- Any time a background infraction is disclosed, the review may require additional days to process. Based on the charges, the application may be pending review for several weeks, even several months. Occasionally, it is necessary to contact other attorneys or court offices to obtain all the information we need to make a fair judgment.
- A decision for application is never made by discussing background infractions by phone prior to application. All background infractions are reviewed individually, on a case-by-case basis.